

ETF Modernization: Website Requirements

What Happened?

On September 26, 2019, the U.S. Securities and Exchange Commission adopted new rules and amendments to create a simpler process to establish and operate exchange-traded funds (ETFs). The rules became effective on December 23, 2019, for new ETFs; existing ETFs had a compliance date of December 22, 2020.

ETF Website and Disclosure Requirements

Whereas traditional mutual funds are not formally required to maintain a website, ETFs are required to maintain a website and to disclose certain fund information on that website.

The required information includes:

- **Basic Fund Information** (as of the end of the prior business day, updated daily):
 - NAV
 - Marketing price¹
 - Premium/discount (expressed as a percentage)
 - Median bid-ask spread² (past 30 days, expressed as a percentage of four decimal places)
- **Daily Holdings** (as of the end of the prior business day, updated daily) For each portfolio holding of the ETF, disclose the following:
 - Ticker symbol (if applicable)
 - CUSIP (or other identifier, if CUSIP not available)
 - Description of holding (name, etc.)
 - Quantity held (shares, etc.)
 - Weight in the portfolio (expressed as percentage)

- **Historical Premium/Discount Information** (updated quarterly)
 - **Table:** Showing total days at premium and total days at discount for the most recently completed calendar year and the most recently completed calendar quarters of the current year.
 - **Line Graph:** Showing premium/discount change over time for the most recently completed calendar year and the most recently completed calendar quarters of the current year.
- **Premium/Discount Disclosures** (updated only if needed)
 - If the ETF has sustained a premium or discount greater than 2% over more than seven consecutive trading days, a disclosure of this fact must be posted to the site along with a discussion of the factors that are believed to have contributed to this event. Each individual disclosure should be maintained on the site for one calendar year after it was posted.

What Does This Mean for Me?

FilePoint has a seamless ETFData site plugin, that embeds a suite of data containing all required disclosures. This ETFData plugin can be added to existing websites, or we can create a full website, based on your specific brand and design specifications. With either option, compliance with these requirements is automatic.



Interested in learning more?

If you have any questions or would like to learn more, [let us know](#).

¹ Defined as: (A) the official closing price of an ETF share; or (B) if it more accurately reflects the market value of an ETF share at the time as of which the ETF calculates current NAV per share, the price that is the midpoint of the national best bid and national best offer (“NBBO”) as of that time.

² Calculated as such: Take best bid and best offer as of the end of each ten-second interval from each trading day in the previous 30 calendar days; Divide the difference between each such bid and offer by the bid/offer midpoint; identify the median of those values.